

SECRET

CHAL-0713  
Copy 1 of 3

6 October 1959

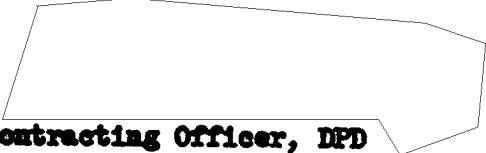
**MEMORANDUM FOR THE RECORD**

**SUBJECT: Concurrence in Letter Contract No. SE-510 with  
Granger Associates Palo Alto, California, Project CHALICE**


1. This memorandum contains a recommendation submitted for concurrence of the undersigned. Such recommendation is contained in Paragraph 5.
2. Letter Contract No. SE-510 implements the procurement of ~~five~~ (5) additional Repeater Jammers, Model 504. These units are almost identical to the two (2) units previously procured and are to be installed in the U-2 aircraft. Contractor has proposed this procurement on a Straight Fixed Price basis; however, prior to our acceptance of this offer, a thorough review of costs incurred on the first two units and the proposed costs will be made. Pending such price review a Letter Contract is being issued. The total proposed price for 5 units, spares and test equipment is \$184,920.
3. Letter Contract No. SE-510 obligates an amount of \$100,000 chargeable to Fiscal Year 1960 CHALICE Funds. Program Approval CHAL-0737 dated 8 September 1959 authorized this procurement. By concurrence to this memorandum the Comptroller signifies that sufficient funds are available and that funds have been adjusted as provided above.
4. Certification of funds for this contract will be handled under the procedure approved by the Director of Central Intelligence on 15 December 1956 which, in effect, results in all covert expenses involving issuance of Treasury Checks being accumulated in a separate account within the Finance Division. The amounts in this account will be periodically scheduled for certification of the vouchers by the Director. This procedure eliminates the necessity for a separate certification of authority under Section 9(b) of Public Law 110, 81st Congress, (formerly 10(b) see 85-507 dtd. 7/7/58) for each contract.

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5. Concurrence in Letter Contract No. SE-510 is recommended.

  
Contracting Officer, DPD

**CONCURRENCES:**

  
Comptroller, DPD

10/8/59

  
COL. STANLEY W. KIMBLE  
Chief, Operations, DPD

  
Office of General Counsel

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